

**MINUTES OF SPECIAL MEETING  
ILLINOIS GAMING BOARD  
JULY 29, 1996 - TELECONFERENCE  
CHICAGO, ILLINOIS**

NOTE: ITEMS IN **BOLDFACE PRINT** REFLECT OFFICIAL BOARD ACTIONS

The Illinois Gaming Board ("Board") held a Special Meeting on July 29, 1996 via a conference call pursuant to the Illinois Open Meetings Act, 5 ILCS 120/1 et seq.

The following Board Members were present: J. Thomas Johnson, Chairman; and Members William B. Browder, Byron G. Cudmore, Gayl S. Pyatt and Robert F. Vickrey.

Also in attendance were: Administrator Michael A. Belletire, Deputy Administrators Joseph C. Haughey and Kevin Lockhart, Chief Legal Counsel Mareile' B. Cusack, other members of the staff, the media, the general public and interested parties.

Chairman Johnson called the meeting to order at 9:15 a.m. Member Browder moved **that the Board retire to Closed Session pursuant to Section 2(c), paragraphs (1), (4), (11), (14) and (21) of the Open Meetings Act, to discuss the following subject matters:**

- 1. Issues Concerning Applicants and Licensees**
- 2. Investigatory Matters**

Member Pyatt seconded the motion. The Board adopted the motion by unanimous consent.

The Board reconvened in Open Session at 10:40 a.m.

The first order of business was items for initial consideration.

Ty Fahner, representing the Par-A-Dice Gaming Corporation, requested initial consideration for a waiver to have the generators on the Par-A-Dice overhauled. Mr. Fahner stated that the United States Coast Guard requires that gambling riverboats cannot sail unless two generators are functioning properly. In order to overhaul the generators, Par-A-Dice requests a waiver from the Board's cruising requirement's pursuant to Rule 3000.510. The overhaul will take approximately 100 to 125 hours of labor.

The next order of business was the HP, Inc. renewal.

Chairman Johnson stated for the record that HP, Inc.'s renewal was deferred from the July 23, 1996 Board meeting. Administrator Belletire stated that staff met with HP officials and reached consensus on a series of Agreements. He stated that even with reduced levels of revenues there are means by which this operation can maintain solvency. Assurances were attained in writing from three shareholders (Heytow, Pedersen & Flynn) to provide funding to subsidize any losses in operations over the next twelve months. Administrator Belletire further stated that HP, Inc. is prepared to sign a Financial Obligation and Licensure Agreement, agreeing to the following:

1. HP, Inc. will pay their bills and employees on time.
2. HP, Inc. will maintain a sufficiency of cash available for gambling operations on a day to day basis.
3. HP, Inc. will meet all debt service requirements during the licensure period.
4. HP, Inc. will remain open for gaming operations throughout the licensure period.

Mike Ficaro, representing HP, Inc., seeks renewal of their owner's license based upon the commitments made to the Board.

Member Vickrey moved **that the Board approve the draft agreement between HP, Inc. and certain of its shareholders pursuant to which these shareholders agree to loan to the licensee sufficient funds to allow HP, Inc. to meet its existing long term debt obligations, excluding any debts to shareholders, due during the period of licensure.**

**I further move that the Board delegate to the Administrator the authority to approve this agreement in its final form.** Member Browder seconded the motion. The Board approved the motion unanimously with a roll call vote.

Member Pyatt moved **that the Board approve the draft Credit Agreement between HP, Inc. and certain of its shareholders and that the Administrator be authorized to act on behalf of the Board to approve the Credit Agreement in its final form.** Member Browder seconded the motion. The Board approved the motion unanimously with a roll call vote.

Member Browder moved **that the Board approve the Financial Obligations and Licensure Agreement between the Board and HP pursuant to which HP agrees, among other things, to remain current on its trade payables, employees payroll obligations and tax payments, and to make available throughout the period of licensure an amount of funds to be used by HP, Inc. solely for the purpose of meeting working cash needs and operating expenses.**

**I further move that the Board delegate to the Administrator the authority to execute this agreement on behalf of the Board.** Member Pyatt seconded the motion. The Board approved the motion unanimously with a roll call vote.

Member Cudmore moved **that the Board renew the owner's license of HP for a period of one year, commencing in July of 1996. This license is subject to HP's ability to continue to meet all the terms and conditions set forth in the Financial Obligation and Licensure Agreement entered into between HP and the Board and any other related agreements.** Member Vickrey seconded the motion. The Board approved the motion unanimously with a roll call vote.

There being no further business to come before the Board, Member Pyatt moved that the Board stand adjourned. Member Browder seconded the motion. The Board approved the motion unanimously by voice vote and adjourned at 11:00 a.m.

Respectfully Submitted,

Susan A. Offord  
Secretary of the Board